

***2.6 FIRE SAFETY BOND**

Placement of Fire Safety Bond on November Ballot

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Executive Summary: On June 11, the City Council approved a list of projects for inclusion in the Fire Safety Bond measure. The projects include: replacing three small, substandard fire stations (Fire Station 2 in Niles, Fire Station 6 in Centerville, and Fire Station 8 in North Fremont); strengthening the remaining seven fire stations to better withstand earthquakes; and building a public safety training center. In order to place the Fire Safety Bond measure on the ballot, Council must adopt a resolution determining the necessity of issuing general obligation bonds and pass an ordinance ordering the submission of the bond measure to the voters. Staff recommends Council adopt the enclosed resolution and introduce the enclosed ordinance.

BACKGROUND: Last year, during the Capital Improvement Program process, City staff identified more than \$50 million in public safety capital needs for which there is currently no source of funding. In November 2001, Council directed staff to explore options for a revenue measure that could fund some or all of these projects. Since that time, a project team comprised of staff from Engineering, the Police and Fire Departments, and the City Manager's Office, has been refining the estimated costs for the projects. Since not all projects can begin the first year after revenue is collected, staff developed a multiple-year, phasing schedule that includes sufficient contingencies in the cost estimates to cover this phasing. Staff estimates the first projects will begin in 2004, and the last ones will be completed by 2009.

Staff has now finalized the cost estimates for the projects approved by Council and determined that a \$51 million bond measure will be sufficient to cover both the costs of the projects and the costs of three bond issues. (Federal law governing municipal bonds requires expenditures within three years of issuance to minimize the costs of borrowing. This requires the City to plan more than one bond issue in order to minimize costs to taxpayers.) The following table lists the projects and their final estimated costs:

Fire Safety Bond Projects (\$ thousands)		
<i>Project Name and Description</i>	<i>Estimated Project Cost</i>	<i>Running Total</i>
Replace Station 2 (Niles): This station, built in 1952, is Fremont's oldest fire station. At 3,700 square feet, the station is half the size of the City's newer, 6,200 square-foot stations, and its garage doors are too low for new fire trucks and engines. The station was built as a volunteer station, with no plans to house 24-hour crews.	\$6,947	\$6,947

<i>Project Name and Description</i>	<i>Estimated Project Cost</i>	<i>Running Total</i>
Replace Station 6 (Centerville): This station, built in 1954, is a 4,650 square-foot, two-story station. It is located on busy Fremont Boulevard in the heart of Centerville, and traffic congestion in the area can slow response times. In addition, the station's garage doors are too low for new fire trucks and engines. Like the Niles Station, this station was built as a volunteer station, with no plans to house 24-hour crews.	\$6,679	\$13,626
Replace Station 8 (North Fremont): This 2,050 square-foot station is the City's smallest fire station. Located in a house on Darwin Drive, the station has been a temporary fire station since 1972. The station's garage doors are too low for new fire trucks and engines, and the garage is too small to hold more than one fire engine. The cost of this station has been reduced by \$800,000 to account for the funds contributed by Fire Impact Fees.	\$6,147	\$19,773
Make earthquake and safety improvements to Stations 1 (Central), 3 (Irvington), 4 (Mission San Jose), 5 (Warm Springs), 7 (Grimmer), 9 (Stevenson), and 10 (Ardenwood): After an earthquake, every fire station in the city needs to be able to serve as a critical neighborhood disaster response center. Strengthening these buildings will keep them operating before, during, and after a major earthquake. Renovation measures for these stations include adding fire sprinklers, fire alarm systems, and 72-hour emergency generators to ensure that they can function after an earthquake or other emergency; replacing the 30-50-year old heating and air conditioning systems; providing separate male/female quarters; and remodeling old kitchens and bathrooms.	\$13,327	\$33,100
<p>Build a Public Safety Training Center: The training center includes a fire tower, an indoor firing range, classroom space, and storage for emergency equipment and supplies. The City's current fire tower, located at Station 7 (Grimmer), was built in the 1970s. Its asbestos walls were removed in 1980 and never replaced, thereby limiting the tower's usefulness for training on live fires and confined space rescue. Firefighters are required to complete over 120 hours of State and federal-mandated training every year. The Fire Department now sends its firefighters to Hayward and Pleasanton to practice putting out real fires.</p> <p>All Fremont police officers are required to train and pass re-certification tests with their weapons a minimum of six times per year. The City's current police firing range is located on Alameda County Water District (ACWD) property, and ACWD has exercised its right to reclaim the property. Although the City is negotiating with Newark to use its firing range on a temporary basis, Fremont's officers will only be allowed to use the range when Newark officers are not scheduled to train at the facility.</p>	\$12,648	\$45,748
Project Contingency (10%) plus bond issuance cost plus bond fund balance: The contingency amount is added in to account for changes in the construction market that could have an impact on the costs of the projects. The cost to issue the bonds is \$450,000, leaving an estimated balance of \$227,000	\$5,252	\$51,000

Tax Rate: On May 14, Dr. Brad Senden of the Center for Community Opinion, the City's pollster, concluded that:

1. It is feasible to ask voters to approve a bond to renovate or replace local fire stations and create a public safety training center.
2. The tax rate should be at or below a cost of \$10 per \$100,000 of assessed value.

With a \$51 million, 30-year bond, taxpayers would pay an average of \$6.50 per \$100,000 of assessed value. (In 2001/02, the average assessed value of a single-family residence in Fremont was \$268,461. Thus, the average homeowner will pay approximately \$17.45 per year.) This is well below the tax rate Fremont's voters are willing to accept but is sufficient to fund those projects that voters were most likely to support.

Ballot Language: Working with Dr. Senden, staff developed ballot language for the Fire Safety Bond. The recommended ballot language, which is within the 75-word limit and follows the successful format used by other cities that have passed bond measures, is:

<p>To improve Fremont's fire safety and emergency response capability by replacing three small, substandard fire stations; strengthening the remaining seven fire stations to better withstand earthquakes and serve the community after an emergency; and building a public safety training center, shall the City of Fremont issue \$51 million in general obligation bonds at the lowest interest rates possible, with the moneys deposited in a special account to be used only for these projects?</p> <p style="text-align: right;">YES NO</p>
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Once the Fire Safety Bond measure is placed on the ballot, the City Attorney will develop an impartial analysis of the measure, and that analysis will be included with the measure when it is submitted to the voters. In addition, staff will return on July 9 with a resolution requesting the Alameda County Registrar of Voters to conduct the election on behalf of the City and directing the City Manager to prepare a written argument for the measure for Council's approval and signature.

ENCLOSURE: Draft resolution and draft ordinance.

RECOMMENDATIONS:

1. Adopt a resolution making findings and determinations related to the need to complete the projects included in the Fire Safety Bond and the need to finance the improvements through the issuance of \$51 million in general obligation bonds.
2. Introduce an ordinance ordering the submission of the Fire Safety Bond to the voters of the City of Fremont at the November 5, 2002 election, stating the language as it will appear on the ballot, and requesting the Alameda County Registrar of Voters to add the measure to the consolidated municipal election.

